

interoffice

MEMORANDUM

To: Mayor Chris Beutler
From: Kim Phelps, Chairman - StarTran Advisory Board *Kim Phelps by cjt*
Date: September 21, 2011
Subject: StarTran Advisory Board Budget Recommendations
cc: Miki Esposito - PW/U Department, Larry Worth- StarTran

As directed by City Council and pursuant to Lincoln Municipal Code 2.38.100, the StarTran Advisory Board held a public hearing to determine what adjustments of the bus rates and fares were necessary in order to balance the budget. LMC 2.38.100 states in pertinent part: "(a) The StarTran Advisory Board shall, by official action after public hearing, make recommendations to the City Council on matters related to rates and fares for review and action by the City Council and Mayor . . . (c) The City Council shall take no final action concerning any changes in rates and fares until the matter has been reviewed by the StarTran Advisory Board and the board recommendation shall have been submitted to the council as hereinabove set forth in subparagraph (a)." It is important to note that "No action taken pursuant to the above authorization shall go into effect until forty-five days after the date the StarTran Advisory Board takes final action on the matter."

The Board was directed to focus on three areas where adjustments could be made: 1) Low-Income fares; 2) "Deadheading;" and 3) Saturday Service and then make recommendations for review and action by City Council and the Mayor. The purpose of this memorandum, therefore, is to convey the Board's recommendations.

BACKGROUND

July 11, 2011 - The Mayor's proposed F.Y. 2011-12 Budget included a reduction of Saturday transit services from 12 to 8 hours of service.

July 26, 2011 - In compliance with the Lincoln Municipal Code (LMC) this proposal was reviewed, with a public hearing conducted by the Advisory Board on the proposal.

July 28, 2011 - The StarTran Advisory Board met and acted to:

- Disagree with the proposed 4-hour Saturday service reduction
- Recommend that the proposed Saturday service reduction be reduced by 2 hours, and
- Change the route scheduling to "deadheading" 12 routes, six days a week on both ends of the day.

The above was forwarded to the Mayor and Lincoln City Council on August 2, 2011.

August 8, 2011 - City Council conducted a public hearing on the Mayor's proposed 2011-12 Budget. Several attendees testified, expressing opposition to the 4-hour reduction in Saturday service.

August 10, 2011 - City Council met to act on "final" changes to the Mayor's proposed F.Y. 2011-12 Budget. Included in "final" changes was:

- Increase low-income 31-day pass cost to \$10 (regular fixed-route) and \$20 (HandiVan) – expected \$55,000 additional revenue
- Maintain 12 hours Saturday services (\$212,000 increase to budget)
- StarTran Advisory Board to recommend other reductions/increased revenues equal to the difference between the budgeted saving and the low-income fare additional revenue – \$212,000 (budgeted savings) - \$55,000 (increased fare revenue) = \$157,000

August 22, 2011 - City Council approved final F.Y. 2011-12 budget resolution.

August 25, 2011 - StarTran Advisory Board met to agree on reductions/increased revenues in response to the August 10, 2011 actions of the City Council.

Staff recommended that the Advisory Board reconfirm their July 28, 2011 action to "deadhead" 12 routes on the 5 weekdays, instead of 6 days per week, with the remainder to be recently-granted additional State transit operating funding, as such:

- Increase in low-income fare per City Council action = \$ 55,000
- Plus, "deadheading" of 12 routes, 5 days/week = \$107,000
- Plus, State funding = \$ 50,000
- Equals = \$212,000

The Advisory Board agreed to consider the following means to address the City Council direction:

- Implement "deadheading" on select routes
- Propose fare increases as follow...

| | <u>Current</u> | <u>Proposed</u> |
|---------------------------------|----------------|---------------------|
| Regular 31-day pass | \$45.00 | \$ 50.00 |
| Regular HandiVan 31-day pass | \$90.00 | \$100.00 |
| Low-Income 31-day pass | \$ 7.50 | \$ 8.00 or \$10.00 |
| Low-Income HandiVan 31-day Pass | \$15.00 | \$ 16.00 or \$20.00 |
| "Star Pass" Summer Youth Pass | \$15.00 | \$ 20.00 |

September 9, 2011 - In compliance with the Lincoln Municipal Code (LMC), the Advisory Board conducted a public hearing to receive comments regarding the above means agreed upon for consideration. Sixteen attended the public hearing, with 10 testifying. Four opposed the low-income fare increase to \$10 - the others agreed (2) and/or spoke on other subjects.

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The Advisory Board then convened in a regular meeting, and agreed on the following recommendations to the Mayor and City Council to address the \$212,000 budget adjustment.

- Implement “deadheading” as follows:
 - ▶ weekdays on 12 of 15 routes, resulting in 1 hour less service on 12 of 15 routes = \$107,000
 - ▶ Saturdays on 9 of 12 routes, resulting in 11 hours of service on 9 routes = \$ 10,000
 - ▶ Increase the Low-Income Pass to \$8.00 (regular) and \$16 (HandiVan) = \$ 14,000
 - ▶ Agreed to use the \$50,000 State funding = \$ 50,000
- Total \$181,000

The Advisory Board agreed to recommend that the remaining \$31,000 be determined by the city administration.